1948-49. **File No.** 9866/36

**B CLASS**

P.W. **DEPARTMENT**
W. **BRANCH**

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**Subject:—** Engineering Organizations
Co-ordination of various
with a view to stabilise prices
of materials and labour for the
construction of post war projects.

BLK

BLK 1149

**File No.** 9866/36

Ed. Scott. Bldg. 91 A

Br. W

G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

# DOCKET SHEET

*Subject :—*

**File No.** 9866/36

P. W. DEPT.

W. BRANCH.

*References :—*

Series separated from original file
B (M)

| Date. | To whom sent. | Notes and instructions. |
|---|---|---|
| | | |

W.B.
O.N.

The S.E.,B.C.,has forwarded a note on inflation and engrg. construction for the consideration of Government Attention is pertifularly invited to paras. 6,7 and 8of the note . He is firmly of the opinion that planning in any field of activity will only be effective if wholesale controls are exercised. as regards prices and distribution and the same rule applies in toto to Engineering construction. The rates of construction are going up steadily and every new tender recd. brings in higher and higher rates, All the organisations, carrying on engrg. constructions in the Province, must come together and co-ordinate their activities. A surevey of available meterials and labour in the province must therefore be made. This survey can be done in about 4 months time. The S-E. Therefore , suggestes that the following length estabt. may be appointed for the purpose for four months.

(a)one spl.officer of the rank of E x.Engr.

(b)one P.A.of the Dy-Engr's rank,

(c)2 overseers from each circle on spl.duty.

under the Ex.Engr. who will collect information as per instructins from the spl.officer. After the date is collected, it is proposed to consult all big organizations carrying on engrg. constructions . The effect of this planning will be to stabilise labour and material rates to agr. et extent, by avoiding cuthroat competition amongst contractors for securing labour. This may result in giving apparent set back to some war plans.

2. It is for orders whether the staff mentioned at 'A' above may be appointed. The papers may if approved, be submitted to the H.M.,P.W.D., before they are referred u.o.to the F.D.

Sd/-

I feel that suggestions of S.E.B.C.will be very difficult for adoption in practise , At present we are able to serve some materials through the existing organisations. If we are to consider jointly with the various constructing deptts. mentioned in para-12 the problem will be too vast and if may be difficult to assign priovities to works under the different deptts. same ofx which are under the control of the G of I. It is likely to result in delays....

& may lead to poor progress on works

Id/-

I agree that co-ordination with G. of India activities ~~it~~ may be difficult. Perhaps it may be possible to co-ordinate activities so far as the various agencies of the provide is concerned.

Id/- 21-9

I doubt if any useful purpose will be served by the appointment of such a committee. The P.W.D. of India are likely to tackle the question of inflation soon & their orders may be awaited in the matter. Bombay Province is a ~~small~~ cog ——in the wheel what & unless all provinces are proposed to take action simultaneously, the only result of the proposal will be the stagnation of this Province at the cost of the ~~for~~go ahead provinces.

I agree

Await Govt. of India's ~~de~~deflation proposals Put up a month ~~before~~later ~~letter~~ Id/-

Id/-

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9866/36/47856.

P.W.D.

W.B.

Resubmitted as directed by H.M.P.W.D.

2. The G.of I's final proposals regarding deflation do not seen to have been announced yet .This Govt. has however just appointed a committee consisting of H.M.F.D, the C.S.and the Secy. F.D. to suggest curtailment of expost. in pursuance of the anti-inflution policy.

3. Orders are solicited whether any action need be taken on these papers at this Stage.

Id/-
28/10/48.

Id/-

Id/-

Id/-

H.M.P.W.D. put up a reasoned statement. about ~~one~~ plans to be put before the finance committee, Mr.Champhekar,'s note may be sent to the committee.

Id/-

H.D.

Resubmitted.

2. The F.D.has separately requested this Deptt. to put up a statement of items of expenditure showing the prgogess already made on the works and their essentiality for consideration of the expdn. Prioritien Committee. The statement have been sent to the F.D. separately No. further action therefore seems necy; on the first part of H.M. of P.W.D's above minute.

3. With regard to the concluding portion of H.M.'s minute the necy. draft is put up for approval.

Id/- Thro. A.B.II Id/-

Why so much delay in sending the neve to E.P.C.?

Id/-

W.B.

The delay was due to pressure of work and is very much regretted

Id/- Id/-
24/12/48.

Finance Department.

Inflation and Engineering Construction.

A note on the above subject by Mr. M.L.Champhekar, Superintending Engineer, Bombay Circle, was considered at a meeting of Secretaries held some time ago and it was decided that the subject should be referred to a committee of superintending Engineers for examining and recommending the measures which it might be possible to take for the co-ordination of P.W.D.activities in the central and Provincial Spheres. The committee is to consist of three or four superintending Engineers, and the following names were specifically suggested:-

1)Mr.N.V.S.Murti.

2)Mr.M.L.Champhekar,

3)Mr.G.N.Pandit(now Project Officer under the C.W.I.& N.C.)

I was asked to draft the terms of reference. I suggest the following terms, which, if C.S.approves, may be passed on to Secy., P.W.D. for further action:-

In the context of the present drive against inflation, and with reference to the avoidable high cost of construction, etc. in so far as this arises from the present lack of co-ordinatin in the P.W.D. activities of the Central Government and the Provincial Govt. and of the Different Departments and organisations under these Governments:

1)to recommend a scheme for ensuring co-ordination ensuring co-ordination.

a)between requirements and supply of material, technical personnel, labour & transport and

b)between the requirements themselves via. indifidual requirements of the two Governments of the and their different departments and organisations:

2)to suggest the terms in which the Government of India might be addressed in regard to their participation in the scheme;and

3)to make detailed proposals in regard to the steps which the Government might itself take menawhile, viz. pending central participation, (on this point a reference is invited to the suggestions from Superintending Engineers, etc., in P.W.D.File 8621/36-C Part II)

Id/-

9866/36.

P.W.D.

W.B.

At a meeting of Secretaries held on the 21-12-48 to discuss the note on "Indlation and Engineering construction by Mr.M.L.Champhekar, it has been decided to app -oint a committee of three of four Superintending Engineers to go into the question and recommend measures that may be adopted to co-ordinate P.W.D.activities in the Central and Provincial spheres Secy. F.D. has drawn up the terms of reference of the committee and has sent them to this Deptt. for further action.

2. The following names were specifically mentioned in the Secy's meeting for inclusion in the Committee:

Mr.N.V.S.Murti,I.S.E.

" M.L. Champhekar, I.S.E.

" G.N.Pandit.I.S.E.

Secy. (I)'s note dt. the 20-12-48 also mentions Mr. N.D.Daftary. Presumably the question of selecting the fourth member is left to the choice of this Deptt. It is for consideration who may be selected for the purpose. If it is to be a committee of Superintending Engineers it would not perhaps be appropriate to include Mr. Daftary as he is not a fully-fledged S.E.as yet.

3. As regards Mr. Pandit, as he is at present on deputation to the G.of I. it is necy. to obtain their consent before he is appointed on the committee. The necy. draft letter is accordingly put up for approval.

4. H.M.P.W.D.may perhaps see at this stage.

Thro.E.B.(I).

Id/-

Regarding A in para2 above, perhaps Mr. Karandikar, S.E/C.E may be nominated ~~to~~ on Committee.

Id/-

It was suggested that ~~the~~ Mr. N.D.Daptari, as he was upto about three months back the Provincial steal Irion Control & controller of materials & would be able to give exect figures of the materials likely to be available. His name should be addressed.

Id/-

I agree.

Id/.

Id/-

W.B.

It appd. draft. letter put up may issue.

Id/-

The supply hascome to day.

Id/-

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9866/36
28582

W.B. P. W. D.

Submitted with reference to G.L.No. 9866/36-W, dated the 16/2/49.

2. The Govt. of India have agreed to the nomination of Mr. G.M.Pandit, I.S.E., on the committee of Superintending Engineers, proposed to be set up by this Govt.

3. Attention is invited to the Secy.(I)'s note dated the 5-2-49. As Mr. N.D.Daftary has proceeded to America, it is for orders whose name may be included in his place.

4. As N.V.S.Murti is the Senior member of the committee, it ispresumed that the will be the Chariman of the committee If approved, the Committee may be asked to submit its report within a period of three m onths.

5. The draft put up may issue, if approved, after it has issued file No. 8621/36-C, Pt.II, referred to by the Secy. F.D. will be sent to the committee.

Id/-
13/5/49

Id/-
13/5/49-

Mr.Daftary's name was proposed for inclusion in the committee as he had instimate knowledge of the availability of the materials The steel and cement. It is doubtful if any other officer is acquinted with the full data. The committee may therefore consider of three members only. The committee can obtain the information about cements and steel etc. from the officers who are in charge to present like the Provincial Iron and Steel Controller

Id/-

Id/-

Id/-

17-5-49 H.M.P.W.D

9866/36/75930
P. W. Deptt.

W.B.

Submitted.

2. In view of the suggestions made by the S.E., B.C. in the his note on inflation and engineering construction, a committee of the following three officers was formed for examining and recommending the measures which it might be possible to take for the co-ordination of P.W.D. activities in the Central and Provincial spheres.

Mr. N.V.S.Murti
" M.L.Champhekar
" C.N.Pandit.

The note was considered at a meeting of secretaries and the secy. F.D. had drawn up the terms of reference of the Committee as under,

a) to recommend a scheme for ensuring co-ordination (i) between requirements and supply of material technical personnel, labour & transport and (ii) between the requirements themselves viz. individual requirements of the two Governments and their different Department and organisations.

b) To suggest the terms in which the Govt. of India might be addressed in regard to their participation in the scheme, and

c) to make detailed proposals in regard to the steps which the Govt. of Bombay might itself take meanwhile viz. pending central participation.

3. The Committee thus constituted, met on 11-6-49 at Poona and has submitted its report. It will be seen from the Report that even after considerable discussion no definite and practical scheme could be worked out to co-ordinate the activities of all Engineering Organisations (even only Govt. and Semi Govt. ones) in the Province. The committee has come to the conclusion that as the construction activities of almost all major Engineering Schemes involving the use of stricity controlled materials as steel and cement are automatecally limited due to short supply of these articles no other stepts can be suggested . The committee recommends that further consideration of this question should be dropped.

4. These papers may if approved be submitted to the Secy. F. C.S. and the H.M.P.W.D. for perusal.

Co-ordination and control on the amount of construction is required not only for inflation but, it is also necessary for orderly progress and timely completion of works, For some time to come, materials, labour and technical personnel of the right type apart from funds, are likely to be limited supply and the amount of works to be undertaken must be in consonance with the available resources for assured progress and timely completion. for example about 800 to 1000 tons of steel per quarter is available for post War Development building schemes in the Province and if the schemes consuming considerably more than that quantity are undertaken at a time, some works are bound to be delayed. It is therefore necessary to control and co-ordinate our own programme of construction.

Id/-
21/11

I agree with the finding of the committee that the steel supply of such material-s like Cement & Steel is itself a check on further expression of building activities. Consistent with this supply our Construction work should also be thinks to the quotas that we are getting for each quota.

Id/-

I have noticed that due account is not taken in proposals submitted for inclusion of scheme in the budget or for allotment of future, of the shortage of labour, materials and technical personnel. These have really set the upper limit, of least so far to the actual construction of works and nor the finances availble.

In future with financial stringency, it would be more necessary than ever to resume that any scheme that can be executed are included in the programme for execution and that there is no competition among different agencies as there was during war time in certain cases for labour and uncontrolled materials and even technical personnel. So as far as controlled materials are concerned the control machinery ensure a degree of co ordinaction but within the sphere of controls, there should be closer liasion - between steel and cement allotments.

Perhaps a works Priorities com. may be usefully constituted to assign priority in a class & classes to different works of all depts of Govt. to ensure steady allocation of controlled and the articles & availability of labour technical personnel & had it not been for such independent agencies as Honoury Board Tapti Project Milk Scheme the P.W.D. would itself have been in the best position is undertake this task.

I should ~~take~~ like to discuss with CE + WS.

C.S.S D.S.

Id/-

This has ~~been~~ discussed.

No action is necessary in view of the availability of cement & finance stringency.

Id/-

Id/-

Id/-

Lab. D.583/46/50136/73486
Public Works Department.

W.B.

Submitted with S.No.6851.

2. File No. 5881/36, which is reqd. for the disposal of this case is not forthcoming in spite of the through search in W.B.&F.B.

3. The labour Department has forwarded the resolutions of the 2nd session of the Building., Civil Engrs. and Public Works Committee held in Rome, for the remarks of this Dept. these resolutions generally pertain to the organisation which employs labour. This Dept., however, gives all works to contractors who employ labour. This Dept. has, therefore, no remarks to offer.

4. With this note, these papers may be retd. to the labour Deptt.

Id/-
8/11/49.

This should have been put up earlier,

The presumption in para. 3 above is not correct. The resolution mainly concerns with Public Works and we have to offer out remarks.

The following general remarks are offered-

Encouragement to private construction - In this connection the Housing Department is helping the co operative societies in gitting sites for residential buildings and also loans with some conditions are given.

Regarding preparation of public Works reserve. The Road Projects Divisions and sub divisions were created and necessary funds for preparation of plans and estimates and investigation are being allotted to keep the plans and estimates ready. In this connection the Bombay Govt. has set up an Expenditure Priority Committee which scrutineses all the Public Works demands and whatever is of non-essential nature is ~~proposed~~ postponed an anti inflationary measure.

Co ordination of Public Works Construction -
The P.W.D.has appointed a committee to go into the question of co ordination of various constructions by various agencies such as Public Works Municipalities, Local Boards, Railways and evolve consideration programme according to the materials and resources available.

Regarding using the modern construction Plant necessary equipment is being obtained according to the exchange available and put to use also the necessary investigation and experiments to use the local and

alternative ....

alternative materials in place of scarce materials are being carried out in the housing dept.

Regarding vocational training of the workers Technical Schools would provide the necessary medium, and the adult workers and supervisors are being trained and can get training in various mastries' classes and canal inspectors'classes that are being conducted by various organisations. For special type of supervisors a short course covering about 9th months called the sub-overseers class was conducted in the Engineering college Poona.

With these remarks the papers may be sent to the Labour Department.

Id/-
9/11/ D.S.

Id/-N.P.G.
10/11/49 S.E.

The resolutions (and the memorandum )deal mainly with employment in the construction industry and are concerned with problems of labour employed in the insustry (recruitment, training, stability of employment and industrial relations).

The P.W.D.is concerned at present with a very small-almost insignificant sector of constructional activity. The Housing Board has taken one what would probably have veen P.W.D,? work in regard to construction of houses in the five large cities. The activity in connection with office buildings etc. is limited by funds and more 20 by shortage of materials, and labour and technical personnel.

From the resolution at III (P. 9/10)it appears that the 'construction ' industry refers mainly to 'housing'.

Id/- G.V.B.
10/11/
Secy.

U.O.to the labour Department dated the 10/11/49.

issued
12/11/49

G.P.K.—(J) N/11—1,00,000—10-54.
G. R., H. L. G. D., No. 2527/53, dated 20-12-18.]

# SEPARATOR

A NOTE ON INFLATION AND ENGINEERING CONSTRUCTIONS.

I am not an economist, I am a common man or what is called "a man in the street", with keen interest in current events and with the normal amount of common sense, I am connected with the Engineering activities and though it may look very amateurish to a professional economist, the note is put forward with a hope that it may prove of some use in guiding the Engineering activities of this Province so as to yield the best results possible.

2. It would be atiring platitude to state now that a serious state of inflation exists. Every body is painfully aware of it The cost of living index is 387% as compared with 1939 level and it may be accepted as a general statement that every thing costs as much as 4 times the prewar level in Rupee value.

3. A uniform inflation or "deflation"of prices and "Incomes" should not matter in the least in a primitive society with few trades and no accumulation of wealth. In a complicated society like the present nations of the world , there are innumerable trades and accumulations of wealth, i.e.,bigh time gaps between the earning and consumption of wealth, In such circumstances, variations of rates i.e the variations in the purchasing value of the monetary token , dislocates the whole financial structure, It is like changing the rules of a game very frequently, which exasperates every body. With some sort of stable rates, everyone knows where he is and the progress is more orderly. Hence the necessity of stablishing rates.

4. It is easy to plan if the present inflation has come to stay . But there is no guarantee that deflation will not follow, This uncertainity makes the planning so difficult. The financial structure of India has been much tampered with during the war and even during the post war years to a certain extent. As India is independent now and as the total export and import trade of India forms a small percentage of the total internal trade and turnover, it should be easy for India to stabilise its price. structure. But it seems that it can only be achieved by strict. honest in using the printing currency press and whole sale controls. Any way we can accept that our present objective is to stop further inflation and to bring down prices to lower

levels.....

levels if possible.

5. The various remedies suggested to fight inflation are as follows.:-

a) Increase availability of consumers goods by import.

b) Increase productions in the country.

c) To reduce purchasing power by borrowing and taxation.

d) Wholesale controls as regards prices and distribution.

5.1 As regards increased imports of consumers' goods.it may be said that this remedy is practically a mirage. As the imports are not fifts to India from other nations and as something is required to be given in exchange, and asIndia has practically no exportable surplus of anything, this remedy is simply not available.

5.2. As regards increased production in the country, it is a correct remady. But the production in a country cannot be stepped up speedily like the speed of a high powered car by simply pressing on the accelrator pedal. America could do it during the war, because the necessary machinery was available India with no basic industries machinery was available, India with no basic industries, has to look upto foreign countries for capital goods, which are grudgingly given and even if the necessary machinery is made available the problem of fuel will launch it into a holy at any time. India has no adequate fuel resources- at least not at present i.e.till many of the Hydroelectric Schemes begin to function and that is a long time ahead, So production cannot be stepped up byyong very narrow limits and though all efforts in this direction should not be related, it cannot serve us the short term remedy.

5.3 As regards borrowing, it is not a sure remedy. The recent loans put by Government on the market were not fully subscribed, which points out the fasility of this remedy.

5.4 Taxation is a direct and sure remedy. But already the tax burden is considered to be too heavy at least as far as the richer classes are considered. There is more money now in aggregate with the working classes and further effort in this direction will have to turn to taxing these classes. At present at least the populler Government are not in a mood to do this or do not dare to do ~~it~~ it

5.5 .....

5.5 The last remedy is the wholesale control as regards price and distribution. I thimnk the principle of allowing the economic factors to adjust themselves as in the good old days can no longer be followed. The disastrous results of decontrol of food stuffs and cloth are now apprent to every body, and I foresee that the controls must come back with a vengeance, if anything like orderly development is to be achieved. I foresee that in the near future even children will have to be rationed and controlled, Nobody will be aoolowed the luxury to have more than the stated number of children.~~xiii be here to be.~~

5.6 Control of prices makes planning feasible and control of distribution reduces the purchasing power of excess money Contorls were ~~un~~popular with trading classes, as they reduce their chances of quick gains with the monied classes as they could not use their money to live better than others, and with a few sentimental persons who disliked the corruptions amongst ~~x~~ officials which the contorls encouraged. On the first two classes no sympathy need be wasted. Also it seems it was wrong to honour the wishes of sentimentalists. If there was corruption, remedies should have been found to evadicate it, to remove controls to stop corruption was like amputing a limb because a boil has grown on it.

6. I am therefore firmly of the opinion that planning in any field of activity will only be affective if wholesale controls are exercised as regards prices and distribution and the same rule applies in toto to Engineering construction. The rates of construction are going up steadily, and every new tender received brings in higher and higher rates. The reasons are not difficult to understand. I think I can quote the case of burden ~~is considered to be too heavy at least as far as the richer classes are considered. There Is more money now in agfregate with the working x classes. At present at least the popular Governments are not in a mood to do this or do not dare to do it.~~

~~x~~Poona to make my point clear.

7. Last November when I joined, the building activity in P.W.D at Poona was confined to a few buiddings in the expansion of the Agricultural College Schemes and the Engineering College hostel and.....

and the anatomy hall for the Poona Medical College. These buildings in progress must be costing in aggregate not more than 5 lacs. Since that time i.e.during the last 9months the following buildings have been started for the Medical College alone.

| | In lacs. |
|---|---|
| 1)Students Hostels. | 3.78 |
| 2)The servants quarters. | 3,40 |
| 3)The staff quarters. | 1,47 |
| 4)The temporary lectrure hall | 0,32 |
| 5)The main college building. | 17.46 |
| | 26,43 |

The tender for the last buioding has only recently been accepted The ethers are in progress. During that period the activity on private buildings is continuing as before, outside P.W.D. the following now works have started.

| | Rs. in lac. |
|---|---|
| 1) National laboratory. | 30 |
| 2) Some M.E.S.work | 17 |

Now very shortly the project of the Military Academy at Kadakvasla will start costing probably about acouple of crores of Rs. The Bhrghat remodolling scheme of the G.I.P.is in progress about the same time costing Rs. 3 crores or so. The new hospital at Poona may come up for construction in ashort time costing about 40 lacs of Rs.And there may be some Military works in view.

For all these works the labour must come out of Poona and the surrounding country. As there are Post War Reconstruction works all ever the country, there is very little scope for importing labour from outside. The only result therefore of opening so many works costing in aggregate about six and aquarter crores of rupees will be the fight amongst the contractors for available labour, thus increasing their rates and also rates of materials like stone quarry, which are virtually labour rates. It is evident therefore that if the various organizations carrying on Engineering constructions go on with their plans, each in its own way, the result is bound to be nothing but chaos. What I have described for Poona, applies more or less to Bombay, to Ahmedabad and many other places in the Province. It will be idiotic to allow this state

of.....

of things to continue for any length of time.

8. The remady and the prøper course to follow is clear. All the organisation carrying on Engineering constructions in the Province, must come together and Co-ordinate their activities, A survey of availhale materials and labour in the Province must first be made . It shouldnot be difficult to carry out such a survey in about 4 monghs time. As somebody must take a lead, I suggest that the Bombay P.W.D. appoint a special officer for this purpose of the Executive Engineer's rank. He may be given a personal assistant of the Deputy Engineer's rank ~~a may be given a personal assistant of the Deputy Engineer's rank He may be given~~ Each circle should spare two intelligent Overseers for this purpose They will work in the local divisions and collect the information as per instructions of the Special officer. I am willing to guide this officer, if attached to my Circle.

9. As far as I can see, there is practically nobody unemployed at present. So when the information is collected at all works in progress, we can take it that we have taken account of all available labour. The same applies to materials such as stone brick, sand lime as these materials mostly poprewnt labour. The avaiblable quantities of cement and steel are easy to ascertain, Probably it will be difficult to ascertain quantities of wood available But whatever quantities, are being used at present may be taken as the rate at which wood can be produced.

10. When the datacollected by such surveys is available, the representatives of all big organizations carrying on Engineering constructions can meet togehher and try to appertion the available material and labour. If there is not sufficient of these to satisfy the needs of all, some sort of rationing will have to be done some rules will have to be framed for retioning, which will have to be based on:-

1) The Prewar expenditure on Engineering Construction.

2) The Post War Programme.

However these are details to be worked out at a later stage. Each Organisation can plan their post War Programme according to the labour and material resources allotted to them.

11. This body of representatives can also go into the question

of rates and introduce some sprt of uniformity in labour rates, which will have a direct check on inflation. The maximum rates to be paid for any kind of labour can be laid down.

12. The Organisations that I can think of, who may be requested to join in this planning are given below. If new names suggest, they can be added as required:

1)The G.I.P.Railway.

2)The B.B.&C.I Railway.

3)The M.&S.M.Railway.

4)The M.E.S,operating in the Bombay Province

5)The Central P.W.D.,operating in the Bombay Province.

6)The C.W.I.N,C.operating in the Bombay Province.

7)Major Municipalities like Bombay Ahmedabad, Sholapur, Poona, etc: for thwn with population of more than 5 lakhs.

8)Minor Municialities.

9)Disrrict Local Boards.

10)Some trade association like the Mill owners and Manufacturers' Association.

11)Representatives of the Institute of Civil Engineering, The institute of Architects, The water Builders' association and similar institutes.

12)I see no way to give representation to private builders. However a quota for them will be reserved.

13. The Effect of this planning will be to stabilise labour and material rates to a great extent by avoiding cut throat competion amongst contractors for securing labour. The progress on post war works will be more steady.

14. However this may result in giving apparent set back to some Post War plans and this may not be quite to the liking of the present administrators. The post war programmes were much boosted by the Section 93 Governments during the war to lull public under the agonies of war time restrictions and shortages. The other reason was the depression that was expected to follow the war, Government wanted to be ready with plans to open public Works to fight depression. I remember that about 2 years back i.e.in latter half of 1946, the Government of India sent round acircular, actually advising the Provincial Government to go slow pedal

as far as Post War Schemes were concerned as the expect depression had not come. When the popular ministries came, they were impatient to turn earth into he-ven overnight. They gave fantastic promoses to the public and raised their hopes to the level of a radio in every house and a car for each labourer and they want to go ahead with post war schemes at any cost. Not that this head-long rush is going to achieve any more spectacular results than sound planning would do But results take some time to appear while public applause is immediate. This mantality on the part of our administration must go and they must learn to face facts as they are.

15. The Adminstrative Inquiry Committee appointed by the Bombay Government , have sounded the correct note in paragraph 70 of their report, and I can do no better than repeat it here:-

"As we have observed earlier, though the war is over, the period of shortages has not come to an end. though in this respect any Government that looked hopefully to the future would have erred in good company, we feel that the time has come to recognise that the policy laid down for themselves by the then Government of Bombay when faced with the inflationary situation referred to above in paragraph 55, cannot be completely abandoned. Thought this would be somewhat disappointing to a Government which is keen on achieving the maximum results in the shortest possible time, still it is a plain fact that Government are adding to their own difficulties and to those of the people of large by competing in a market of short supplies for services and materials. While we do not suggest that essential and productive expenditure should on this account be suspended, we do feel that some delimitation of the field of reconstruction activities and some slowing down of their pace are necessitated by the revenue position and by the continuing inflationary trends That in any case Government have ultimately to recognise the a inexorable logic of the situation is already clear from the serious handicaps in respect of the supply of materials under which the housing and the other developmental departments of Government have had to work".

16. Let me not be misunderstood. I don't advocate putting a spoke in the wheel. What I advocate is that we should avoid all tall

talk,.....

talk, should ascertain correctly our available resources and should plan accordingly. Also a better spitit of co-operation and co-ordination must be exhibited if senseless competetion is to be aveided. If this is done we are sure to achieve much more lasting results, than are possible with the present unco-ordinated and unregulated activities.

Id/-
Superintending Engr.
Bombay Circle.

No.C.41/7731 Public Works Department,

Bombay 23rd August 1948.

To

The Secretary to Government

Public Works Department.

Bombay.

Subject:- A note on inflation and engineering construction.

I forward herewith a note on inflation and engineering construction for the consideration of Government. I think some such co-ordination as advocated by me is necessary, if the rising spiral of prices is to be checked and if cut throat competition is to be avoided. If these views are accepted, action according to paragraph 6 may be taken.

Sd/-
Superintending Engineering
Bombay Circle.

D.A.-
1 note.

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Copy forwarded, with compliments, for information and with a request to give all necessary help if Government approve the proposal to undertake such survey, to :-

The Superintending Engineer, Northern Circle,
the Superintending Engineer, Central Circle,
the Superintending Engineer, Deccan Irrigation Circle,
the Superintending Engineer, Eastern Circle,
the Superintending Engineer, Southern Circle,
The Superintending Engineer, Special Investigation Circle
The Electrical Commissioner with the Government of Bombay
the Housing Commissioner,
the Electrical Engineer to Government,
all Executive Engineer,

No. 9866/36-W.

P.W.D.
B.B. 16th Feb. 1949.

To

The Secy. to the G.of I.,
Ministry of Works Mines and Power,
New Delhi.

Subject: Mr.G.N.Pandit. Nomination of on a committee to be appointed by the Bombay Govt.

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Sir,

I am directed to state that this Govt. has dicided to appoint acommittee of superintending Engineers for examining the question of inflation in so far as it affects Engineering construction in this Province and for recommending measure which could be adopted for the Co-ordination of P.W.D. activities in the Central and Provincial spheres. In this connection it proposed to appoint Mr. G.N.Pandit, I.S.E., Project Officer, C.W.I.N.C. as one of the members of the Committee. It is felt that Mr.Pandits intimate association with engineering activities in this Province as well as his knowledge of the needs of the Central Govt. will be of considerable value to the Committee in formulating its accommodations. This Govt. will, therefore be grateful if you will kindly obtain and communicate to this Deptt. the Govt. of India's consent to the Proposed nomination of Mr.Pandit on the Committee.

2. A very early reply will be much appreciated.

Yours.faithfully

Copy to -
The Chairman C.W.I.N.C.,
G.N.Pandit Esqr. I.S.E., Project Officer, C.W.N.C., Bombay for information.

Id/-

Id/.
3/2/4

GOVERNMENT OF INDIA
MINISTRY OF WORKS MINES AND POWER.

No. DW.99/49 Dated New Delhi, the 25th April 49.

From

Shri S.Neelakantan,
Deputy Secretary to the Govt. of India.

To

The Secretary to the Govt. of Bombay,
Public Works Department, "Bombay Castle", Bombay.

Subject:- Mr. G.N.Pandit, Nomination of -on a committee to be appointed by the Bombay Govt.

Sir,

I am directed to invite a reference to your letter No. 9366/36-W, dated the 16-2-49, on the above subject, and to say that the Govt. of India agree to Mr. G.N.Pandit serving on the committee of superintending Engineers proposed to be set up by the Provincial Government .

Yours faithfully,

Sd/-
(S.Neelakantan)
Deputy Secretary to the Govt. of India.

Inflation and Engineering Construction :-

Appointment of a committee for-.

GOVERNMENT OF BOMBAY.

Public Works Department.

Circular Memorandum No. 9866/36.

Bombay Castle 19th May 1949..

GOVERNMENT CIRCULAR MEMORANDUM.

It has come to the notice of Government that inflation is adversely affecting the progress of Engineering works of this Province. Government as accordingly pleased to appoint a committee of three superintending Engineers for examining the question of inflation in so far as it affects engineering construction in this Province and for recommending measures which could be adopted for the co-ordination of Public Works Department activities in the Central and Provincial Spheres. The following membershave been included in the committee.

1) Mr.N.V.S.Murti, I.S.E.(Chariman).

2) Mr.M.L.Champhekar,I.S.E.

3) Mr.G.N.Pandit, I.S.E..

2. The terms of reference of the committee will be as under :-

In the context of the present dreive against inflation, and with reference to the avoidably high cost of construction, etc., in so far as this arises from the present lack of co-ordination in the Public Works Department activities of the Central Government and the Provincial Government and of the different Departments and organisations under these Governments..

a) to recommend a scheme for ensuring co-ordination (i)between requirements and supply of material, technical personnel, labour and transport and (ii)between the requirements themselves viz. individual requirements of the two Governments ar their different Departments and organisations.

b) to suggest the terms in which the Government of India might be addressed in regard to the their participation in the scheme, and

c) to make detailed proposals in ragard to the steps which the

Government.....

Government of Bombay might itself take meanwhile, viz. pending Central participation.

3) The Chariman is requested to submit the report to Government within a period of three months.

By order of the Government of Bombay

Sd/-
(K.V.Joglekar.)
Deputy Secretary to Government..

To

All Departments of Secretariat (except the Separate Department)
The Superintending Engineers of Circles.
The Electrical Commissioner with the Government of Bombay.
The Electrial Engineer to Government
The Public Health Engineer to Government
The Accountant General , Bombay.
All Executive Engineers of Divisions.
The Director, Development Department Chawls.
N.V.S.Murti,Esquire, I.S.E.
M.L.Champhekar Esquire, I.S.E,
G.N.Pandit, Esquire, I.S.E..

Report of the inflation & Engineering Construction Committee.

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This Committee was constituted as per public Works Department Circular Memorandum No. 29866/36 dated the 19-5-1949 to consider the question of inflation in so far as it affected Engineering constructions in the Province.

2. The Committee consisted of the following three Superintending Engineers.

1)Shri N.V.S.Murti I.S.E.(Chairman)

2)Shri M.L.Champhekar, I.S.E.

3)Shri G.N.Pandit, I.S.E.

3. The terms of reference of the committee were as follow

in the context of the present dirve against inflation, and with reference to the avoidably high cost of construction, etc. in so far as this arises from the present lack of co-ordination in the Public Works Department and activities of the Central Government and of the different Departments and organisations under these Governments.

a)to recommend a scheme for ensuring co-ordination (i)between requirements and supply of material technical personnel, labour and transport and (ii)between the requirements themselves Viz.individual requirements of the two Government and their different Departments and orgainsations.

b)to suggest the terms in which the Government of India might be addressed in regard to their participation in the scheme, and

c)to make detailed proposals in regard to the steps which the Government of Bombay might itself take meanwhile, viz. pending Central participation.

4. The full committee met only once on 11-6-1949 at Poona in the Deccan Irrigation Circle office.

5. Even after considerable discussion no definite and practical scheme could be worked out to co-ordinate the activities of all Engineering organizations (even only Government and Semi-Government ones) in the Province.

6. It was, however, brought out that almost all major Engineering Schemes involved the use of such strictly controlled materials as Steel and Cement and this Control automatically heoped to limit th cnstruction activities of the various Engineering organisations. On account of the short supply of these articles there was a nature check on these activities, which theyeby could not expand indefinitel The committee thinks that no other practical steps beyond this automatic check due to strictly controlled articles can be suggest

7 .....

7. The Committee, therfre, unanimously recommend that further cnsideration oft is question should be dropped as it will lead to no fruitful rsults.

Id/-

(1)N.V.S.Murti
(Chairman.)

Id/-

(2(M.L.Champhekar:
Member

Id/-
(3)G.N.Pandit.
Member.

No: G 41/13327

Public Works Department,
Bombay, 12th November 1949.

To

The Secretary to Government,
Public Works Department,
Bombay.

Subject:- Inflation and Engineering Construction:
Appointment of a Committee for —

Reference:- Government Circular Memorandum Public Works Department
No. 9866/36 dated 19th May 1949.

2. I submit herewith an unanimous report of the Committee appointed by Government in connection with the above subject.

3. The delay in the submission of the xxxxxx report is regretted.

4. Government P.W.D., U.O.R., No. 9866/36 dated 7th June 1949. and the Secretariat files Nos. 8621/36 Parts I & II and accompaniments received with it are returned herewith.

Sd/-
22-11
Superintending Engineer,
Bombay Circle.

Copy to :-

N.L.Champhekar, Esquire, I.S.E.
G.N.Pandit, Esquire, I.S.E.